

# BERUSCHI & COMPANY

Barristers & Solicitors



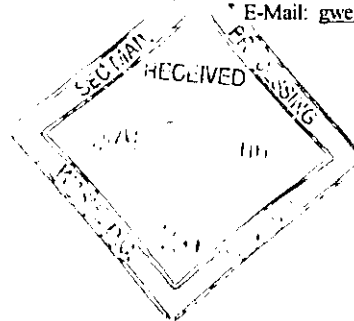
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Anthony J. Beruschi B.Sc., LL.B.

Suite #501 - 905 West Pender Street  
Vancouver, British Columbia, V6C 1L6  
Tel: (604)669-3116 Fax: (604)669-5886  
E-Mail: [gwegner@beruschi.com](mailto:gwegner@beruschi.com)

March 20, 2007

Securities & Exchange Commission  
Division of Corporate Finance  
Room 3026 - 450 Fifth Street N.W.  
Washington, DC 20549



**Attention: Office of International Corporate Finance**

Dear Sirs/ Mesdames:

**Re: BALLAD GOLD & SILVER LTD. (the "Issuer")**  
**Filing of documents under Rule 12g3-2(b),**  
**Securities Act of 1934**  
**File No. 82-4000**

**SUPPL**

With respect to the Issuer's exemption pursuant to Rule 12g3-2(b) promulgated under the *Securities Act of 1934*, we submit for recording the following documents that were filed, published or distributed to security holders since November 6, 2006:

- A. Unaudited Financial Statements and accompanying MD&As
  - copy of unaudited financial statements for the period ended September 30, 2006 with relevant MD&A.
- B. Copies of Certifications of Interim Filings (Forms 52-109F2) filed with the British Columbia and Alberta Securities Commissions (*note: were filed on Forms 52-109F1*).
- C. Copies of news releases issued during the relevant period.

Please acknowledge receipt of these documents on the enclosed copy of this letter and return it in the enclosed self-addressed envelope.

Sincerely,

BERUSCHI & COMPANY

PER: 

**GWEN WEGNER**  
Paralegal

**PROCESSED**

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FINANCIAL**

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Enclosures

# BERUSCHI & COMPANY

Barristers & Solicitors

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ACKNOWLEDGED RECEIPT THIS  
\_\_\_\_ DAY OF \_\_\_\_\_, 20 \_\_\_\_

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BY: \_\_\_\_\_

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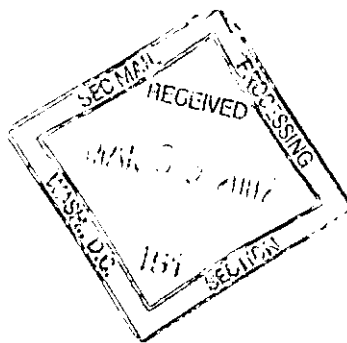
Sincerely,

BERUSCHI & COMPANY

PER: 

GWEN WEGNER  
Paralegal

Enclosures



**BALLAD GOLD & SILVER LTD.**  
INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006  
(Unaudited – Prepared by Management)

**BALLAD GOLD & SILVER LTD.**

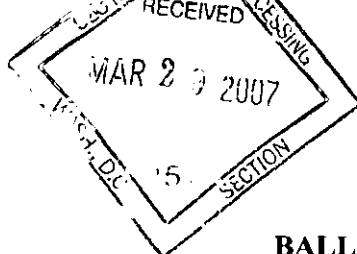
September 30, 2006

**NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated financial statements of the Company have been prepared by management and approved by the Audit Committee and Board of Directors of the Company.

The Company's independent auditors have not performed a review of these consolidated financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditors.



**BALLAD GOLD & SILVER LTD.**  
**INTERIM CONSOLIDATED BALANCE SHEETS**

	(Unaudited) September 30, 2006	(Audited) December 31, 2005
<b><u>ASSETS</u></b>		
Current		
Cash	\$ 4,063	\$ 7,875
Amounts receivable	11,708	15,185
	<hr/>	<hr/>
	15,771	23,060
Equipment – (Note 3)	11,310	13,793
Mineral properties	683,440	639,214
	<hr/>	<hr/>
	\$ 710,521	\$ 676,067
	<hr/>	<hr/>
<b><u>LIABILITIES</u></b>		
Current		
Accounts payable and accrued liabilities	\$ 528,290	\$ 701,451
Due to related parties (Note 5)	409,259	427,809
	<hr/>	<hr/>
	937,549	1,129,260
	<hr/>	<hr/>
<b><u>SHAREHOLDERS' EQUITY (DEFICIENCY)</u></b>		
Share capital – (Note 4)	13,302,133	12,981,633
Shares subscribed (Note 4)	185,509	23,824
Contributed surplus (Note 4)	1,344,573	1,146,867
Deficit	(15,059,243)	(14,605,517)
	<hr/>	<hr/>
	(227,028)	(453,193)
	<hr/>	<hr/>
	\$ 710,521	\$ 676,067
	<hr/>	<hr/>
Commitments – (Notes 7)		

APPROVED BY THE BOARD:

"Anthony J. Beruschi", Director  
Anthony J. Beruschi

"Raymond Roland", Director  
Raymond Roland

SEE ACCOMPANYING NOTES

**BALLAD GOLD & SILVER LTD.**  
**INTERIM CONSOLIDATED STATEMENTS OF LOSS AND DEFICIT**  
**for the three months and nine months ended September 30, 2006 and 2005**  
**(Unaudited -- Prepared by Management)**

	Three months ended September 30,		Nine months ended September 30,	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Administrative Expenses				
Accounting and audit	\$ 1,500	\$ 1,000	\$ 13,388	\$ 17,973
Amortization	828	1,016	2,483	3,325
Consulting fees – Note 5	3,780	236	11,200	11,664
Filing fees	-	-	14,542	7,647
Interest, foreign exchange	14,850	11,447	32,897	34,288
Legal – Note 5	399	-	7,866	20,943
Management fees	24,000	16,500	72,000	49,500
Office and miscellaneous	6,148	11,827	19,822	30,795
Rent	9,300	9,300	27,900	27,900
Shareholder communication	20,750	21,189	61,849	74,055
Transfer agent	948	1,469	2,994	4,053
Travel and promotion	-	3,669	18,906	10,915
	<hr/>	<hr/>	<hr/>	<hr/>
Net loss before other item	( 82,503)	( 77,653)	( 285,847)	( 293,058)
Other item				
Non-cash compensation charge - Note 4	-	-	(197,706)	-
Previous years cost recoveries	-	-	29,827	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net loss for the period	( 82,503)	( 77,653)	( 453,726)	( 293,058)
Deficit, beginning of period	(14,976,740)	(13,995,355)	(14,605,517)	(13,779,950)
	<hr/>	<hr/>	<hr/>	<hr/>
Deficit, end of period	\$ (15,059,243)	\$ (14,073,008)	\$ (15,059,243)	\$ (14,073,008)
	<hr/>	<hr/>	<hr/>	<hr/>
Basic and diluted loss per share	\$ ( 0.01)	\$ ( 0.01)	\$ ( 0.01)	\$ ( 0.01)
	<hr/>	<hr/>	<hr/>	<hr/>

SEE ACCOMPANYING NOTES

**BALLAD GOLD & SILVER LTD.**  
**INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**  
for the three months and nine months ended September 30, 2006 and 2005  
(Unaudited – Prepared by Management)

	Three months ended September 30,		Nine months ended September 30,	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Operating Activities				
Net loss for the period	\$ ( 82,503)	\$ ( 77,653)	\$ ( 453,726)	\$ ( 293,058)
Add (deduct) items not affecting cash:				
Amortization	828	1,016	2,483	3,325
Non-cash compensation charge	-	-	197,706	-
Accrued and unpaid interest	14,850		32,897	
Accrued and unpaid management fees	24,000		72,000	
	<u>( 42,825)</u>	<u>( 76,637)</u>	<u>( 148,640)</u>	<u>( 289,733)</u>
Changes in non-cash working capital items related to operations:				
Accounts receivable	( 11,523)	250	( 3,477)	10,833
Prepaid expenses	-	-	-	( 5,214)
Accounts payable	39,552	73,462	( 289,654)	247,008
	<u>( 14,796)</u>	<u>( 2,925)</u>	<u>( 441,771)</u>	<u>( 37,056)</u>
Investing Activities				
Acquisition of capital assets	-	-	-	-
Deferred exploration expenditures	( 15,495)	-	( 44,226)	( 66,354)
	<u>( 15,495)</u>	<u>-</u>	<u>( 44,226)</u>	<u>( 66,354)</u>
Financing Activities				
Issuance of common shares	-	-	320,500	250,000
Share subscriptions	20,526	-	161,685	(150,000)
	<u>20,526</u>	<u>-</u>	<u>482,185</u>	<u>100,000</u>
Increase (Decrease) in cash during the period	( 9,765)	( 2,925)	(3,812)	( 3,410)
Cash, beginning of period	13,828	5,022	7,875	5,507
Cash, end of period	<u>\$ 4,063</u>	<u>\$ 2,097</u>	<u>\$ 4,063</u>	<u>\$ 2,097</u>
Supplemental disclosure of cash flow information:				
Cash paid for:				
Interest	\$ -	\$ -	\$ -	\$ -
Income taxes	\$ -	\$ -	\$ -	\$ -

SEE ACCOMPANYING NOTES

**BALLAD GOLD & SILVER LTD.**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**September 30, 2006**  
**(Unaudited – Prepared by Management)**

**Note 1**      **Interim Reporting**

While the information presented in the accompanying interim financial statements is unaudited, it includes all adjustments which are, in the opinion of management, necessary to present fairly the financial position, results of operations and changes in cash flows for the interim periods presented. These interim financial statements follow the same accounting policies and methods of their application as the Company's December 31, 2005 audited financial statements. It is suggested that these interim financial statements be read in conjunction with the Company's annual December 31, 2005 financial statements.

These consolidated financial statements include the accounts of the Company and its wholly owned Peruvian incorporated subsidiaries, Ballad Enterprises Del Peru S.R. Ltda., Ballad Exploration S.A., and TVX Minera Del Peru S.A., and the Company's wholly owned Argentinian subsidiary Compania Minera San Antonia which was incorporated by the Company on February 25, 2005 to facilitate exploration in Argentina. All inter-company transactions and balances have been eliminated upon consolidation.

**Note 2**      **Comparative figures**

Certain of the comparative figures have been reclassified to conform to the current year's presentation.

**Note 3**      **Equipment**

2006			
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>
Computer equipment	\$ 26,967	\$ 22,690	\$ 4,277
Office equipment	17,983	10,950	7,033
	<u>\$ 44,950</u>	<u>\$ 33,640</u>	<u>\$ 11,310</u>
2005			
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>
Computer equipment	\$ 26,967	\$ 20,857	\$ 6,110
Office equipment	17,983	9,192	8,791
	<u>\$ 44,950</u>	<u>\$ 30,049</u>	<u>\$ 14,901</u>



Ballad Gold & Silver Ltd.  
Notes to the Interim Consolidated Financial Statements  
September 30, 2006  
(Unaudited – Prepared by Management) – Page 2

Note 4 Share Capital

The authorized share capital of the Company is 100,000,000 common shares without par value.

The Company's shareholders' equity (deficiency) is as follows:

	Common shares Quantity	Amount \$	Contributed Surplus \$	Shares Subscribed \$	Accumulated Deficit \$	Total \$
<b>Balance, December 31, 2003</b>	17,888,533	12,564,508	1,071,800	-	(13,226,310)	409,998
Shares issued for cash	475,000	95,000	-	-	-	95,000
Shares issued for property option	200,000	120,000	-	-	-	120,000
Shares subscribed	-	-	-	150,000	-	150,000
Stock based compensation	-	-	75,067	-	-	75,067
Loss for the year	-	-	-	-	(553,640)	(553,640)
<b>Balance, December 31, 2004</b>	18,563,533	12,779,508	1,146,867	150,000	(13,779,950)	296,425
Shares issued for cash	2,168,889	244,000	-	(150,000)	-	94,000
Shares issued in settlement of debt	53,333	6,000	-	-	-	6,000
Shares subscribed	-	-	-	23,824	-	23,824
Future income taxes on exploration expenditures renounced to shareholders	-	(47,875)	-	-	-	(47,875)
Loss for the year	-	-	-	-	(825,567)	(825,567)
<b>Balance, December 31, 2005</b>	20,785,755	12,981,633	1,146,867	23,824	(14,605,517)	(453,193)
Shares issued for cash	4,006,250	320,500	-	(23,824)	-	296,676
Stock based compensation	-	-	197,706	-	-	197,706
Shares subscribed	-	-	-	185,509	-	185,509
Loss for the year	-	-	-	-	(453,726)	(453,726)
<b>Balance, September 30, 2006</b>	24,792,005	13,302,133	1,344,573	185,509	(15,059,243)	(227,028)

During the year ended December 31, 2005, the Company agreed to a non-brokered private placement financing of up to \$1,500,000 consisting of up to 18.75 million units at \$0.08 per unit. Each unit consists of one common share and one transferable warrant entitling the holder to purchase one additional share for \$0.105 per share for a period of two years. A portion of the financing may be issued on a flow-through basis. Funds from the financing will be used for exploration, working capital, property payments, payment of debts, general corporate purposes, property investigations and acquisitions. Finders' fees may be payable on a portion of the financing in cash.

Note 4 Share Capital - (cont'd)

As of March 3, 2006 the Company has completed the \$320,500 portion of its \$1,500,000 private placement pursuant to which the Company has issued 4,006,250 units of its securities at \$0.08 per unit, each unit consisting of one common share and one two-year transferable share purchase warrant with each such warrant entitling the holder thereof to purchase one additional common share of the Company at a price of \$0.105 per share. The units are restricted from trading until June 18, 2006. The Company anticipates closing the remainder of the private placement shortly.

As at September 30, 2006, \$185,509 had been received in subscription shares.

Share Purchase Warrants

A summary of the status of the Company's warrants as of September 30, 2006 and 2005, and changes during the periods then ended is as follows:

		2006	Weighted Average Exercise Price
	Warrants		
Outstanding, December 31, 2004 and June 30, 2005	10,264,667	\$	0.220
Granted	2,222,222		0.150
Exercised	-		0.110
Forfeited/cancelled	(10,264,667)		0.220
Outstanding, December 31, 2005	2,222,222	\$	0.150
Granted	4,006,250		0.105
Outstanding, September 30, 2006	6,228,472	\$	0.121

At September 30, 2006, the following share purchase warrants were outstanding entitling the holders the right to purchase one common share for each warrant held:

<u>Number of Warrants</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
2,222,222	\$0.150	May 16, 2007
4,006,250	0.105	March 3, 2008
<u>6,228,472</u>		

The weighted average remaining life of all outstanding warrants as of September 30, 2006 is 1.02 years (2005 - .60)

At September 30, 2005, the following share purchase warrants were outstanding entitling the holders the right to purchase one common share for each warrant held:

Note 4     Share Capital - (cont'd)  
Share Purchase Warrants – (cont'd)

<u>Number of Warrants</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
1,264,667	\$0.60	November 18, 2005
<u>1,264,667</u>		

Stock Option Plan

The Company follows the policies of the TSX Venture Exchange ("TSX-V") under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. Under the stock option plan, the exercise price of each option equals the market price of the Company's shares as calculated on the date of grant. The options can be granted for a maximum term of 5 years.

The Company has granted employees and directors common share purchase options. These options are granted with an exercise price equal to the market price of the Company's stock on the date of the grant.

A summary of the status of the Company's stock option plan as of September 30, 2006 and September 30, 2005 and changes during the periods then ended is presented below:

	<u>September 30, 2006</u>		<u>September 30, 2005</u>	
	<u>Number of</u>	<u>Weighted</u>	<u>Number of</u>	<u>Weighted</u>
	<u>Shares</u>	<u>Average</u>	<u>Shares</u>	<u>Average</u>
		<u>Exercise</u>		<u>Exercise</u>
		<u>Price</u>		<u>Price</u>
Outstanding, beginning of period	258,853	\$0.55	1,788,853	\$0.76
Granted	2,078,575	0.25	-	-
Expired/cancelled	(258,853)	( 0.55)	(1,530,000)	\$0.80
Outstanding and exercisable, end of period	<u>2,078,575</u>	<u>\$0.25</u>	<u>258,853</u>	<u>\$0.55</u>

The weighted average remaining life of all outstanding stock options is 1.36 years.

Ballad Gold & Silver Ltd.  
Notes to the Interim Consolidated Financial Statements  
September 30, 2006  
(Unaudited – Prepared by Management) – Page 5

Note 4 Share Capital - (cont'd)

Stock Option Plan – (cont'd)

At September 30, 2006, 2,078,575 share purchase options were outstanding entitling the holders thereof the right to purchase one common share for each option held as follows:

<u>Number of Options</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
2,078,575	0.25	February 9, 2008
<u>2,078,575</u>		

The Company has adopted the new policy to record the fair value of compensation expense on the granting of stock options. The fair value is determined using the Black-Scholes option pricing model. For the period ended March 31, 2006 the Company recorded a non-cash compensation charge of \$197,706 upon the issuance of 2,078,575 stock options. The weighted average fair value of the options was \$0.10 per share.

The fair value of share options was estimated using the Black-Scholes option pricing model with the following assumptions:

	<u>2006</u>	<u>2005</u>
Risk-free interest rate	3.25%	-
Dividend yield	-	-
Expected stock price volatility	94.7%	-
Weighted average expected stock option life	2 years	-

Note 5 Related Party Transactions

During the period ended September 30, 2006 and 2005, the Company incurred the following costs charged by directors of the Company and companies controlled by directors of the Company:

	<u>2006</u>	<u>2005</u>
Management fees	\$ 72,000	\$ 49,500
Interest	24,397	19,650
Legal	7,866	20,000
	<u>\$ 104,263</u>	<u>\$ 89,150</u>

Ballad Gold & Silver Ltd.  
Notes to the Interim Consolidated Financial Statements  
September 30, 2006  
(Unaudited – Prepared by Management) – Page 6

Note 5 Related Party Transactions – (cont'd)

During the period ended September 30, 2006, an officer of the Company and a company controlled by an officer was accrued or paid \$18,000 (2005 - \$18,000) for geological consulting which is included in resource property costs.

At September 30, 2006, the Company owed \$409,259 (2005 - \$306,780) to directors of the Company and companies controlled by directors of the Company. Interest is payable on these unsecured amounts at the rate of 2% per month.

During the fiscal 2004, the Company entered into an option agreement with Global, a public company with a director in common.

The above transactions have been in the normal course of operations and, in management's opinion, undertaken with the same terms and conditions as transactions with unrelated parties.

Note 6 Segmented Information

The Company's activities are all in one industry segment of mineral property acquisition, exploration and development. Property and equipment by geographical segments are as follows:

	Canada	South America	Total
September 30, 2006			
Equipment	\$ 11,310	\$ -	\$ 11,310
Mineral properties, including deferred costs	-	683,440	683,440
	<u>\$ 11,310</u>	<u>\$ 683,440</u>	<u>\$ 694,750</u>
	Canada	South America	Total
September 30, 2005			
Equipment	\$ 14,909	\$ -	\$ 14,909
Mineral properties, including deferred costs	317,517	622,127	939,644
	<u>\$ 332,426</u>	<u>\$ 622,127</u>	<u>\$ 954,553</u>
	Canada	South America	Total
September 30, 2006			
Net loss	\$ (453,726)	\$ -	\$ (453,726)
	Canada	South America	Total
September 30, 2005			
Net loss	<u>\$ (287,339)</u>	<u>\$ (5,719)</u>	<u>\$ (293,058)</u>

Ballad Gold & Silver Ltd.  
Notes to the Interim Consolidated Financial Statements  
September 30, 2006  
(Unaudited – Prepared by Management) – Page 7

Note 7      Commitments

The Company has committed to pay the following annual expenses, on a month to month basis, as follows:

- (a) \$37,200 per year in office rent;
- (b) \$36,000 per year in consulting fees to an officer of the Company.

**BALLAD GOLD & SILVER LTD.**  
**Management Discussion and Analysis of Financial**  
**Condition and Results of Operations**  
**SEPTEMBER 30, 2006**

**BACKGROUND**

The following discussion and analysis, prepared as of November 22, 2006, should be read together with the unaudited consolidated financial statements for the six-months ended September 30, 2006 and the audited consolidated financial statements for the year ended December 31, 2005 and related notes attached thereto, which are prepared in accordance with Canadian generally accepted accounting principles. All amounts are stated in Canadian dollars unless otherwise indicated.

These consolidated financial statements include the accounts of the Company and its wholly owned Peruvian incorporated subsidiaries, Ballad Enterprises Del Peru S.R. Ltda., Ballad Exploration S.A., and TVX Minera Del Peru S.A., and the Company's wholly owned Argentinian subsidiary Compania Minera San Antonio which was incorporated by the Company on February 25, 2005 to facilitate exploration in Argentina. All inter-company transactions and balances have been eliminated upon consolidation.

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

This discussion and analysis for the three-month and six-month period ended September 30, 2006 is prepared as of, and contains disclosure of material changes occurring up to and including, November 22, 2006.

Additional information related to the Company is available for view on SEDAR at [www.sedar.com](http://www.sedar.com).

**OVERVIEW**

Ballad is a mining exploration company. The Company's shares are listed and called for trading on the TSX Venture Exchange under the trading symbol "BGS".

The Company conducts natural resource exploration and development operations with interests in gold, silver, base and other precious metal exploration and development properties in South America. In South America, the Company has conducted exploration in Peru and Argentina.

**Mineral Properties**

	Resource Property, <u>Argentina</u>
Balance, December 31, 2005	\$ 639,214
Acquisition Costs	
– cash	–
– shares	–
	<hr/>
	–
Deferred Exploration Expenditures	
– geological consulting	44,226
	<hr/>
	44,226
	<hr/>
Balance, September 30, 2006	\$ 683,440
	<hr/>

**BALLAD GOLD & SILVER LTD.**  
**Management Discussion and Analysis of Financial**  
**Condition and Results of Operations**  
**SEPTEMBER 30, 2006**

**Mineral Properties – Cont'd.**

During fiscal 2005 the Company wrote-off all exploration and acquisition costs on the Rabbit North Property, situated in Canada and the Roberto base metal exploration property in the Peruvian province of Huancaveilea, due to poor exploration results and inactivity on the properties. The Roberto property has been abandoned.

On April 19, 2006, the Company announced its intention to drop its option to earn an interest in the Rabbit North Property and to focus on its South American properties.

*Penascudo Gold-Silver Property, Argentina*

**HISTORICAL OVERVIEW**

During the year ended December 31, 2004 Ballad successfully completed Phase I of the Exploration Program on the Penascudo Gold & Silver Property.

Exploration featured four primary objectives.

- To confirm of Bonanza grade gold and silver sampling results from the high grade El Rey ("The King") Vein located within the Pedro Mina.
- To search for surface continuation of the El Rey Vein along strike where it trends under overburden.
- To identify additional veins or indications of veins on surface near the El Rey Vein to further increase the potential known size of the system hosting high grade mineralization.
- To establish trenching targets at the El Rey Zone for follow-up drilling testing.

Ballad successfully achieved all four objectives:

- **Bonanza Grade Results**

The high grade gold values obtained by Ballad at the El Rey Vein are encouraging in suggesting the property's potential to host a high grade, Low Sulfidation Epithermal deposit. Previous results assayed as high as 1,102.99 grams per ton (32.18 ounces per ton) gold (Au) and 704.7 grams per ton (20.56 ounces per ton) silver (Ag) on a 0.35 meter chip sample from the 55 meter exposure of the El Rey Vein.

During the recently completed Phase 1 Exploration Program a confirmation chip sample at the El Rey Vein returned 1,365 grams per ton (39.81 ounces per ton) Au and 1,730 grams per ton (50.46 ounces per ton) Ag.

Visible high grade gold was also observed at the El Rey Vein.

The presence of visible gold with high grade gold values within the El Rey Vein confirms the systems' potential to host high grade gold and silver mineralization.



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*Mineral Properties – Cont'd*

*Penascudo Gold-Silver Property, Argentina – Cont'd*

**HISTORICAL OVERVIEW – (Cont'd)**

- El Rey Extension

Exploration near the El Rey Vein focused on discovering surface evidence of an extension of the El Rey Vein in order to increase the potential of the high-grade gold mineralization prior to trenching and drilling.

Ballad reported that additional gold and silver mineralization was discovered approximately 200 metres along strike northeast of the El Rey Vein during recent surface sampling. This apparent extension of the El Rey Vein outcropped for a strike length of over 21 meters and measured between 0.15 to 0.30 meters in width on surface. Preliminary chip samples of this vein returned anomalous gold values between 0.278 and 0.438 ppm.

The apparent extension of mineralization from the El Rey Vein is considered by independent consulting geologists to suggest the El Rey Vein may be more than 255 metres in strike length along surface alone. Most of the El Rey Vein remains covered by overburden and Ballad plans to expose this vein and any possible extensions along strike through trenching during the next field season.

- Additional Gold Bearing Vein

Ballad reported the important discovery of a second, high-grade, parallel striking, vein 60 meters to the north of the El Rey Vein.

This second vein outcrops briefly for 6 metres along strike with a width up to 10 cm and returned from a chip sample values of 15.60 grams per ton Au and 203 grams per ton Ag over 3 metres along strike.

This newly discovered vein is open on both ends along strike as it dips under overburden to the northeast and southwest and is a target for trenching to extend known mineralization to the northeast and southwest. Between this new high grade vein discovery and the Bonanza grade El Rey Vein 60 metres away Ballad's geologists were unable to sample due to overburden therefore more veins may be present at surface between these veins. This covered area will be a high priority trenching target with a view to exposing additional gold bearing veins.

Overall, the presence of visible gold and high-grade gold and silver values within a multi-vein system is considered by Ballad's geologists to be encouraging in its hunt for a Bonanza-grade, low sulphidation, epithermal deposit at Penascudo.

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***Mineral Properties – Cont'd***

***Penascudo Gold-Silver Property, Argentina – Cont'd***

**HISTORICAL OVERVIEW – (Cont'd)**

- **Further Exploration**

The Phase I Exploration Program was successful in establishing a number of trenching targets of excellent merit. Ballad has also been advised by its consulting geologists that exploration results to date have established a number of drill targets.

Only a portion of Penascudo's potential has been tested on surface. Limited surface sampling during the Phase I Exploration Program beyond the El Rey Vein discovery area has identified other areas of exploration interest on the Penascudo Property, including numerous additional veins, some of which measure up to 5 metres in width. Sampling of these areas is preliminary and additional exploration is required to determine the potential of these large veins and the possible influence they may have on the potential of the Penascudo Property.

Exploration at El Rey is now scheduled to focus on the additional veins and parallel zones that were identified as occurring along strike of, and adjacent to, the main El Rey Gold/Silver Vein, and between it and previously identified anomalous zones, thereby opening the potential for a larger silicified and quartz vein bearing zone

Trenching will be designed to prove lateral continuity of the vein system, aid in establishing tonnage and potentially grade, and provide a basis for interpreting the epithermal vein system to be longer, thereby generating excellent potential for further discoveries both in between and at distances from the end of known veins.

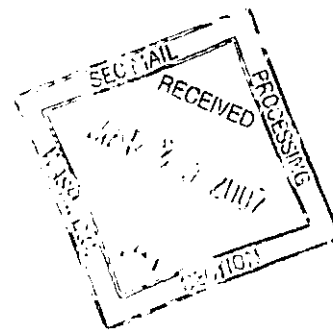
The 2004 Phase I Chip Sampling Program was conducted by and under the direct supervision of Independent Qualified Person Bohumil (Boris) Molak, Ph.D, P.Geo.

On June 11, 2003 Ballad and Golden Arrow Corporation (formerly IMA Exploration Inc.) ("Golden Arrow") reached an agreement for Ballad to acquire by option up to an 85% interest in the 9,000 hectare Penascudo Gold-Silver Project from Golden Arrow. The Penascudo Gold-Silver Project is located in the Patagonia region of Southern Argentina, the source area of a string of recent gold and silver discoveries, the most recent being the spectacular Navidad high-grade silver discovery by Golden Arrow.

The agreement between Ballad and Golden Arrow provided the Company with a 60 day period to conduct a review of the property including a due diligence geological study of the Penascudo Property for the Company by an Independent Qualified Person.

The Company's independent Qualified Person conducted an initial review of the discovery area, named the EL REY Gold/Silver zone. Results from that initial review include bonanza grade chip samples assaying up to 1,102.99 grams/tonne gold (32.18 oz/ton) and 704.7 grams/tonne silver (20.56 oz/ton) over a 0.35 meter wide vein structure and grab samples assaying as high as 1,098.23 grams/tonne gold (32.04oz/ton) and 1,144.5 grams/tonne silver (33.39 oz/ton) over the same vein system.

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***Mineral Properties – Cont'd***

***Penascudo Gold-Silver Property, Argentina – Cont'd***

**HISTORICAL OVERVIEW – (Cont'd)**

Golden Arrow granted the Company an option to earn an initial 70% interest in the property for incurring US \$1,800,000 of exploration work staged over five years, making a one time US \$300,000 cash payment to exercise the option and issuing 500,000 post consolidation common shares at the approval of the option by the TSX Venture Exchange and a further 500,000 common shares on the exercise of the option. The Company's interest is subject to a 1.5% NSR Royalty. Ballad may increase its interest by funding a feasibility study.

On December 2, 2005 the Company announced that exploration on the Penascudo Property would be delayed until access considerations raised by two of the 12 surface owners were resolved.

On April 19, 2006, the Company announced that it continues to work towards a resolution.

During the year ended December 31, 2005 Ballad incorporated its Argentinean subsidiary, Compania Minera San Antonio ("San Antonio") to facilitate exploration in Argentina. During the nine-months ended September 30, 2006 Ballad incurred \$44,226 in deferred exploration costs.

***Peruvian Properties***

On January 18, 2006 the Company announced it was reviewing several exploration properties in Peru for acquisition.

On March 7, 2006 the Company entered into two option agreements providing for the option of two properties in Peru; the Mina Verde and Mina Suyoc copper-zinc-silver properties.

On March 9, 2006, the Company entered into an option to acquire the Adonai Copper Property in Peru.

The Company had the right, following a 90 day due diligence period, to enter into an option agreement to earn up to a 90% interest in the Mina Verde Silver Property and the Mina Suyoc Property by completing a feasibility study within 8 years and issuing to each a total of 1,250,000 common shares of the Company over 60 months.

On August 18, 2006, the Company gave notice that it is not proceeding with the proposed acquisition of an interest in the Mina Suyoc silver and the Mina Verde silver properties.

On August 18, 2006, the Company also gave notice that it is not proceeding with the proposed acquisition of an interest in the Adonai copper property.

The Company is reviewing other potential acquisitions in Peru.

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**SELECTED FINANCIAL INFORMATION**

The following table presents selected financial information for the nine-months ended September 30, 2006 and 2005, and last three audited fiscal years ended December 31, 2005, 2004 and 2003:

	Nine months ended September 30, 2006	Nine months ended September 30, 2005	Year ended December 31, 2005	Year ended December 31, 2004	Year ended December 31, 2003
	\$	\$	\$	\$	\$
Revenue	-	-	-	-	-
Net loss	(453,726)	(293,058)	(825,567)	(553,640)	(1,922,319)
Basic and diluted loss per share	(0.01)	(0.01)	(0.04)	(0.03)	(0.19)
Total assets	710,521	974,380	676,067	920,430	874,401

**RESULTS OF OPERATIONS**

For the nine-months ended September 30, 2006 the net loss was \$453,726 or \$0.01 per share compared to the net loss of \$293,058 or \$0.01 per share (54.8% increase) in 2005. The increase in the net loss of \$160,668 was primarily due to \$197,706 in non-cash compensation expense. The company recorded \$197,706 non-cash compensation expense (2005: \$Nil), which represents the estimated fair value of stock options granted during the period ended and to an increase in management fees of \$22,500, filing fees of \$6,895 due to SEDAR and TSX filing fees and travel and promotion of \$7,991 due to PDAC attendance and trade shows. These increases were offset by the decrease of \$13,077 in legal fees, \$12,206 in shareholder communication expenses, \$464 in consulting fees, accounting and audit of \$4,585, office and miscellaneous of \$10,973 and previous years cost recoveries of \$29,827 with the balance of the decreases, \$3,292 spread over the remainder of the expenses.

For the year ended December 31, 2005 the net loss was \$825,567 or \$0.04 per share compared to the net loss of \$553,640 or \$0.03 per share (49.1% increase) in 2004. The increase in the net loss of \$271,927 was primarily due to write-off mineral property of \$355,283 and to an increase in management fees of \$52,500, interest of \$25,136, \$9,674 in office and miscellaneous, \$5,384 in shareholder communication expenses and \$4,643 in accounting and audit fees. These increases were offset by the decrease of \$31,302 in legal fees, \$75,067 in stock-based compensation expenses, \$17,395 in travel and promotion, \$7,091 in filing fees and a recovery of deferred income taxes of \$47,875, with the balance of the increase, \$1,963 spread over the remainder of the expenses.

Current Quarter

For the three-months ended September 30, 2006 the net loss was \$82,503 or \$0.01 per share compared to the net loss of \$75,653 or \$0.01 per share (6.24% increase) in 2005. The increase in the net loss of \$4,850 was primarily due to management fees of \$7,500 and consulting fee of \$3,544. These increases were offset by the decrease of \$5,679 in office and miscellaneous expenses, \$3,669 with the balance of the increases of \$3,154 spread over the remainder of the expenses.

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**REVENUES**

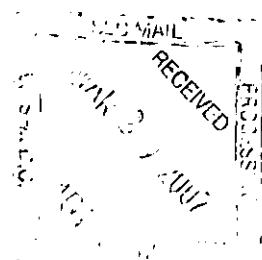
The Company does not have any source of revenue. The Company uses equity financing and advances from related parties to support its operations.

**EXPENSES**

The following table identifies the changes in general and administrative expenses for the nine-months ended September 30, 2006 and 2005 and for the years ended December 31, 2005, 2004 and 2003:

	Nine months ended September 30, 2006	Nine months ended September 30, 2005	Year ended December 31, 2005	Year ended December 31, 2004	Year ended December 31, 2003
		\$	\$	\$	\$
Accounting and audit fees	13,388	17,973	32,613	27,970	36,049
Increase (decrease) *	(25.51)	-	16.60	(22.41)	2.47
Amortization	2,483	3,325	4,434	4,737	2,757
Increase (decrease) *	(25.32)	-	(6.40)	71.82	79.84
Consulting fees	11,200	11,664	15,606	15,388	52,720
Increase (decrease) *	(3.98)	-	1.42	(70.81)	73.90
Filing fees	14,542	7,647	9,224	16,315	21,167
Increase (decrease) *	90.17	-	(43.46)	(22.92)	88.70
Interest	32,897	34,288	41,841	16,705	69,178
Increase (decrease) *	(4.06)	-	150.47	(75.85)	19.30
Legal	7,866	20,943	20,428	123,121	105,739
Increase (decrease) *	(62.44)	-	(83.41)	16.44	0.99
Management fees	72,000	49,500	118,500	66,000	66,000
Increase (decrease) *	45.45	-	79.50	-	-
Office and miscellaneous	19,822	30,795	62,427	52,753	48,964
Increase (decrease) *	(35.63)	-	18.34	7.74	141.83
Rent	27,900	27,900	37,200	37,200	37,200
Increase (decrease) *	-	-	-	-	-
Shareholder communications	61,849	74,055	82,122	76,738	316,001
Increase (decrease) *	(16.48)	-	7.01	(75.72)	953.34
Stock based compensation	197,706	-	-	75,067	1,071,000
Increase (decrease) *	N/A	N/A	N/A	(93.00)	N/A
Transfer agent	2,994	4,053	4,851	5,229	6,098
Increase (decrease) *	(26.13)	-	7.23	(14.25)	118.56
Travel and promotion	18,906	10,915	17,522	34,917	84,249
Increase (decrease) *	73.21	-	(49.82)	(58.55)	558.97

\* Increase (decrease) expressed in % compared to the prior year or comparative period of the prior year (if less than one year).

**BALLAD GOLD & SILVER LTD.****Management Discussion and Analysis of Financial  
Condition and Results of Operations  
September 30, 2006****SUMMARY OF QUARTERLY RESULTS**

The following table presents unaudited selected financial information for each of the last eight quarters:

	Years ended December 31,							
	2006			2005				2004
	Q1	Q2	Q3	Q1	Q2	Q3	Q4	Q4
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	-	-	-	-	-	-	-	-
Net loss	(290,367)	(80,856)	(82,503)	(110,245)	(105,160)	(77,653)	(532,509)	(175,227)
Basic/diluted loss per share	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)

The net loss of \$290,367 for the quarter ended March 31, 2006, increased compared to the net loss of \$110,245 for the first quarter of the previous year which was mainly due to \$197,706 stock-based compensation charge recorded by the Company which represented fair value of 2,078,575 share purchase options granted during the quarter.

**LIQUIDITY AND CAPITAL RESOURCES**

At September 30, 2006, the Company had a working capital deficiency of \$921,778 (2005: \$851,178).

Management anticipates raising of additional funding through sale of its securities to enable the Company to fund ongoing operations.

During the year ended December 31, 2004, the Company agreed to a private placement of 1,111,111 units at \$0.225 per unit. Each unit comprises two common shares and one Series "A" two-year share purchase warrant, with each such share purchase warrant entitling the holder to purchase two additional common shares of the Company at \$0.15 per share.

During the year ended December 31, 2005 the Company closed this private placement. A portion of the private placement consisting of 931,111 units (1,862,222 shares) was issued on a flow-through basis for total proceeds of \$209,500.

During the year ended December 31, 2005, the Company agreed to a non-brokered private placement financing of up to \$1,500,000, composed of 18.75 million units at \$0.08 per unit. Each unit is one share and one transferable warrant entitling the holder to purchase one additional share for \$0.105 cents per share for a period of two years. A portion of the financing will be issued on a flow-through basis. Funds from the financing will be used for exploration, working capital, property payments, payment of debts, general corporate purposes and property investigations and acquisitions. Finders' fees may be payable on a portion of the financing in shares and/or cash.

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**LIQUIDITY AND CAPITAL RESOURCES – CONT'D**

As of March 3, 2006 the Company had completed \$320,500 portion of its \$1,500,000 private placement pursuant to which the Company has issued 4,006,250 units of its securities at \$0.08 per unit, each unit consisting of one common share and one two-year transferable share purchase warrant with each such warrant entitling the holder thereof to purchase one additional common share of the Company at a price of \$0.105 per share. The Company anticipates closing the remainder of the private placement shortly.

As at September 30, 2006, \$185,509 had been received in subscription shares.

At September 30, 2006, the Company held cash on hand of \$4,063 (2005: \$2,097), amounts receivable of \$11,708 (2005: \$11,024) and liabilities totalled \$937,549 (2005: \$871,013).

The Company does not have any off-balance sheet arrangements.

**SHARE CAPITAL**

The authorized share capital of the Company is 100,000,000 common shares without par value.

The Company's shareholders' equity (deficiency) is as follows:

	Common shares Quantity	Amount \$	Contributed Surplus \$	Shares Subscribed \$	Accumulated Deficit \$	Total \$
<b>Balance, December 31, 2003</b>	17,888,533	12,564,508	1,071,800	-	(13,226,310)	409,998
Shares issued for cash	475,000	95,000	-	-	-	95,000
Shares issued for property option	200,000	120,000	-	-	-	120,000
Shares subscribed	-	-	-	150,000	-	150,000
Stock based compensation	-	-	75,067	-	-	75,067
Loss for the year	-	-	-	-	(553,640)	(553,640)
<b>Balance, December 31, 2004</b>	18,563,533	12,779,508	1,146,867	150,000	(13,779,950)	296,425
Shares issued for cash	2,168,889	244,000	-	(150,000)	-	94,000
Shares issued in settlement of debt	53,333	6,000	-	-	-	6,000
Shares subscribed	-	-	-	23,824	-	23,824
Future income taxes on exploration expenditures renounced to shareholders	-	(47,875)	-	-	-	(47,875)
Loss for the year	-	-	-	-	(825,567)	(825,567)
<b>Balance, December 31, 2005</b>	20,785,755	12,981,633	1,146,867	23,824	(14,605,517)	(453,193)
Shares issued for cash	4,006,250	320,500	-	(23,824)	-	296,676
Stock based compensation	-	-	197,706	-	-	197,706
Shares subscribed	-	-	-	185,509	-	185,509
Loss for the year	-	-	-	-	(453,726)	(453,726)
<b>Balance, September 30, 2006</b>	24,792,005	13,302,133	1,344,573	185,509	(15,059,243)	(227,028)

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**SHARE CAPITAL - CONT'D**

Share Purchase Warrants

A summary of the status of the Company's warrants as of September 30, 2006 and 2005, and changes during the periods then ended is as follows:

	2006	Weighted Average Exercise Price
	Warrants	
Outstanding, December 31, 2004 and March 31, 2005	10,264,667	\$ 0.220
Granted	2,222,222	0.150
Exercised	-	0.110
Forfeited/cancelled	(10,264,667)	0.220
Outstanding, December 31, 2005	2,222,222	\$ 0.150
Granted	4,006,250	0.105
Outstanding, September 30, 2006	6,228,472	\$ 0.121

At September 30, 2006, the following share purchase warrants were outstanding entitling the holders the right to purchase one common share for each warrant held:

<u>Number of Warrants</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
2,222,222	\$0.150	May 16, 2007
4,006,250	0.105	March 3, 2008
<u>6,228,472</u>		

The weighted average remaining life of all outstanding warrants as of September 30, 2006 is 1.02 years (2005 - .60)

At September 30, 2005, the following share purchase warrants were outstanding entitling the holders the right to purchase one common share for each warrant held:

<u>Number of Warrants</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
1,264,667	\$0.60	November 18, 2005
<u>1,264,667</u>		



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**SHARE CAPITAL - CONT'D**

Stock Option Plan

The Company follows the policies of the TSX Venture Exchange ("TSX-V") under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. Under the stock option plan, the exercise price of each option equals the market price of the Company's shares as calculated on the date of grant. The options can be granted for a maximum term of 5 years.

The Company has granted employees and directors common share purchase options. These options are granted with an exercise price equal to the market price of the Company's stock on the date of the grant.

A summary of the status of the Company's stock option plan as of September 30, 2006 and September 30, 2005 and changes during the periods then ended is presented below:

	<u>September 30, 2006</u>		<u>September 30, 2005</u>	
	<u>Number of</u>	<u>Weighted</u>	<u>Number of</u>	<u>Weighted</u>
	<u>Shares</u>	<u>Average</u>	<u>Shares</u>	<u>Average</u>
		<u>Exercise</u>		<u>Exercise</u>
		<u>Price</u>		<u>Price</u>
Outstanding, beginning of period	258,853	\$0.55	1,788,853	\$0.76
Granted	2,078,575	0.25	-	-
Expired/cancelled	(258,853)	(0.55)	(1,530,000)	\$0.80
Outstanding and exercisable, end of period	<u>2,078,575</u>	<u>\$0.25</u>	<u>258,853</u>	<u>\$0.55</u>

The weighted average remaining life of all outstanding stock options is 1.58 years.

At September 30, 2006, 2,078,575 share purchase options were outstanding entitling the holders thereof the right to purchase one common share for each option held as follows:

<u>Number of Options</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
2,078,575	0.25	February 9, 2008
<u>2,078,575</u>		

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**SHARE CAPITAL - CONT'D**

Stock Option Plan -Cont'd

The Company has adopted the new policy to record the fair value of compensation expense on the granting of stock options. The fair value is determined using the Black-Scholes option pricing model. For the period ended March 31, 2006 the Company recorded a non-cash compensation charge of \$197,706 upon the issuance of 2,078,575 stock options. The weighted average fair value of the options was \$0.10 per share.

The fair value of share options was estimated using the Black-Scholes option pricing model with the following assumptions:

	<u>2006</u>	<u>2005</u>
Risk-free interest rate	3.25%	-
Dividend yield	-	-
Expected stock price volatility	94.7%	-
Weighted average expected stock option life	2 years	-

**RELATED PARTY TRANSACTIONS**

During the nine months ended September 30, 2006 and 2005, the Company incurred the following costs charged by directors of the Company and companies controlled by directors of the Company:

	<u>2006</u>	<u>2005</u>
Management fees	\$ 72,000	\$ 49,500
Interest	24,397	19,650
Legal	7,866	20,000
	<u>\$ 104,263</u>	<u>\$ 89,150</u>

During the period ended September 30, 2006, an officer of the Company and a company controlled by an officer was accrued or paid \$18,000 (2005 - \$18,000) for geological consulting which is included in resource property costs.

At September 30, 2006, the Company owed \$409,259 (2005 - \$306,780) to directors of the Company and companies controlled by directors of the Company. Interest is payable on these unsecured amounts at the rate of 2% per month.

During the fiscal 2004, the Company entered into an option agreement with Global, a public company with a director in common.

The above transactions have been in the normal course of operations and, in management's opinion, undertaken with the same terms and conditions as transactions with unrelated parties.

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**OUTSTANDING SHARE DATA**

As at November 22, 2006 the Company had authorized share capital of 100,000,000 shares without a par value. Shares outstanding as at November 22, 2006 totalled 24,792,005 shares, granted options to directors and employees totalling 2,078,575 shares at a weighted average exercise price of \$0.25 per share and had 6,228,472 warrants outstanding at a weighted average exercise price of \$0.121 per share.

**RISKS AND UNCERTAINTIES**

Ballad plans to continue to raise additional capital through the exercise of stock options and warrants, and issuing new share capital through equity financing. The Company's ability to raise additional capital will depend upon the progress of new acquisitions, subsequent development of resource properties and the strength of the resource equity markets, which are uncertain. There can be no assurance that additional capital will be available. The Company is in the process of developing plans to raise capital.

**FORWARD - LOOKING STATEMENTS**

Except for historical information, "This Management's Discussion and Analysis of Financial Condition and Operations" contains forward-looking statements which may not be based on historical fact. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, events or developments to be materially different from any future results, events or developments expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on such forward-looking statements.

**BALLAD GOLD & SILVER LTD.****Form 52-109F1  
CERTIFICATION OF ANNUAL FILINGS**

I, Anthony J. Beruschi, President and Chief Executive Officer for **Ballad Gold & Silver Ltd.**, certify that:

1. I have reviewed the annual filings (as this term is defined in Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*) of **Ballad Gold & Silver Ltd.** (the "Issuer") for the period ending **September 30, 2006**;

2. Based on my knowledge, the annual filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the annual filings;

3. Based on my knowledge, the annual financial statements together with the other financial information included in the annual filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date and for the periods presented in the annual filings;

4. The issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures and internal control over financial reporting for the issuer, and we have:

(a) designed such disclosure controls and procedures, or caused them to be designed under our supervision, to provide reasonable assurance that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which the annual filings are being prepared;

(b) designed such internal control over financial reporting, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP; and

(c) evaluated the effectiveness of the issuer's disclosure controls and procedures as of the end of the period covered by the annual filings and have caused the issuer to disclose in the annual MD&A our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by the annual filings based on such evaluation; and

5. I have caused the issuer to disclose in the annual MD&A any change in the issuer's internal control over financial reporting that occurred during the issuer's most recent interim period that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting.

Date: November 29, 2006

"Anthony J. Beruschi"

Anthony J. Beruschi  
President & CEO

**BALLAD GOLD & SILVER LTD.****Form 52-109F1****CERTIFICATION OF ANNUAL FILINGS**

• I, Raymond W. Roland, Chief Financial Officer for **Ballad Gold & Silver Ltd.**, certify that:

1. I have reviewed the annual filings (as this term is defined in Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*) of **Ballad Gold & Silver Ltd.** (the "Issuer") for the period ending **September 30, 2006**;

2. Based on my knowledge, the annual filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the annual filings;

3. Based on my knowledge, the annual financial statements together with the other financial information included in the annual filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date and for the periods presented in the annual filings;

4. The issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures and internal control over financial reporting for the issuer, and we have:

(a) designed such disclosure controls and procedures, or caused them to be designed under our supervision, to provide reasonable assurance that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which the annual filings are being prepared;

(b) designed such internal control over financial reporting, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP; and

(c) evaluated the effectiveness of the issuer's disclosure controls and procedures as of the end of the period covered by the annual filings and have caused the issuer to disclose in the annual MD&A our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by the annual filings based on such evaluation; and

5. I have caused the issuer to disclose in the annual MD&A any change in the issuer's internal control over financial reporting that occurred during the issuer's most recent interim period that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting.

Date: November 29, 2006

"Raymond W. Roland"

Raymond W. Roland  
Chief Financial Officer



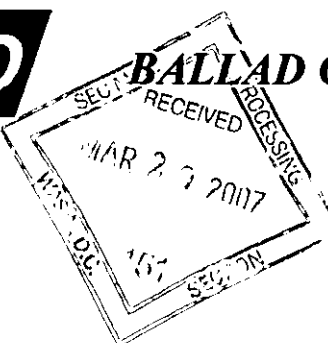
gold & silver ltd.

12g3-2(b): 82-4000

Standard & Poor's Listed

TSX Venture Exchange: BGS

OTC: BLDGF



**BALLAD GOLD & SILVER LTD.**

501 - 905 West Pender Street

Vancouver, BC V6C 1L6

Tel: 604.682.7159 ~ Fax: 604.669.5886

Toll Free: 888.880.2288

Internet: [www.balladnet.com](http://www.balladnet.com)

email: [ajb@balladnet.com](mailto:ajb@balladnet.com)

**NEWS RELEASE**

**March 2, 2007**

## PEÑASCUDO UPDATE

Ballad Gold & Silver Ltd. has been advised that the Provincial Government of Chubut, in Argentina, has passed new legislation extending the application of prior legislation that suspended exploration and mining activity in certain areas to now include the geographic area covering the Cerro Peñascudo Gold and Silver property in Chubut province, Argentina. Ballad's Argentine representatives have now confirmed that no exploration or development can be conducted at Cerro Peñascudo while the legislation is in effect.

Ballad had been carefully working to gain access for exploration after two surface rights holders challenged Ballad's rights to explore at Peñascudo. After a lengthy legal process Ballad is pleased to report it has received a declaration from the Director of Mines refusing the surface owners' objections and allowing Ballad access to further explore at Peñascudo. Exploration is now subject to the new legislation.

Ballad believes strongly in the exploration potential of Peñascudo. Ballad is monitoring the legislation and has been advised that it may be favorably changed after October 2007 local elections in order to allow certain areas to be exempted from the mining and exploration ban.

Ballad has made the government property maintenance payments for the first half of 2007. As a result of the legislation Ballad has obtained a deferral of the exploration expenditures requirements from the Optionor, Golden Arrow Resources Corporation, to 9 months after the expiry of the legislation banning exploration and mining at Cerro Peñascudo.

The Peñascudo Gold & Silver Project is defined by its high-grade gold and silver values at the El Rey Vein. Prior exploration by Ballad at the El Rey Vein returned chip samples as high as 1,365 grams per ton (39.81 ounces per ton) gold and 1,730 grams per ton (50.46 ounces per ton) silver within a 35 cm wide vein (true width). As previously reported by Ballad sampling within this vein has ranged from 0.083 grams per ton gold to 1,365 grams per ton gold while silver has ranged from 1.5 grams per ton to 1,730 grams per ton.

Ballad has the right to earn up to a 70% interest in the project from Golden Arrow, subject to a 1.5% NSR royalty by incurring US \$1,800,000 in exploration expenditures on the property, a US\$300,000 payment and issue of 500,000 shares. Ballad can earn a further 15% interest for a total of 85% by funding a feasibility study.

**BALLAD GOLD & SILVER LTD.**

Per: "Anthony J. Beruschi"  
Anthony J. Beruschi  
President

*For further information please contact the president, Anthony J. Beruschi B.Sc. LLB., at 604.682.7159, or 1.888.880.2288 or [ajb@balladnet.com](mailto:ajb@balladnet.com).*

*The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or the accuracy of this release. Cautionary Note to US Investors: This news release may contain information about adjacent properties on which we have no right to explore or mine. We advise U.S. investors that the SEC's mining guidelines strictly prohibit information of this type in documents filed with the SEC. U.S. investors are cautioned that mineral deposits on adjacent properties are not indicative of mineral deposits on our properties. This news release may contain forward-looking statements including but not limited to comments regarding the timing and content of upcoming work programs, geological interpretations, receipt of property titles, potential mineral recovery processes, etc. Forward-looking statements address future events and conditions and therefore involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated in such statements.*

*END*